

**From:** lee elder  
**Sent:** Monday, July 05, 2004 10:03 AM  
**To:** FACTAscoringstudy  
**Subject:** FACTA Scores Study

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From : Lee Elder

Subject : Controversial use of credit scores by Insurance Cos.

I read an article in the Star Telegram newspaper today which offers people like me the opportunity to comment on how the use of using credit scoring is setting premiums for insurance. Specifically, my wife and I received a rude awakening when the homeowners insurance company we had after purchasing a new home decided to no longer write these types of policies in the State of Texas. I will admit our credit scores after purchasing the home did take a hit from buying items to furnish the home as well as other reasons, but were they bad enough to warrant some of the outrageous quotes I got when contacting insurance companies for homeowner insurance quotes. No, they were not..... We maintain our home and have never filed a claim to repair any damage to our home. We have had our 2 vehicles and motorcycle insured with GEICO for 10 years plus. But the best we could do for homeowners insurance was the Texas Fair Plan and we have no coverage for water damage and this policy lacks other coverage that we should have been able to obtain at a reasonable price.

I was informed that our credit rating indicates that my wife and I are at greater risk of doing something that would basically intentionally cause damage to our home in order to collect on insurance. What that tells me is that we have been judged guilty of wrongdoing without ever having a history of doing something like this. In addition, we are paying the price because the insurance companies paid substantial premiums to homeowners a few years ago with mold damage to their homes. And now perhaps, here is their opportunity to recoup some if not all the money they paid out on those claims. Why does Texas homeowners pay more for insurance than most other states? If I had to submit a claim for damage to my home, I would expect to have my premium increased. That I understand. Finally, what I don't understand is the Texas Dept of Ins had mandated that companies that wish to do business in the State of Texas must lower their rates. Some have and some like Farmers and State Farm have the unmitigated gall to flat out refuse to do so and are fighting the ruling in court. In my opinion the TDI is NOT doing enough to fix this problem and perhaps the Federal Govt needs to step in.

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